

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

QUANERGY SYSTEMS, INC.,¹

Debtor.

Chapter 11

Case No. 22-11305 (CTG)

Docket Ref. Nos. 12 & 59

NOTICE OF AUCTION AND SALE HEARING

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On December 13, 2022, the above-captioned debtor and debtor-in-possession (the “Debtor”), filed a voluntary petition for relief pursuant to chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”) in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

2. On December 13, 2022, the Debtor filed a motion (the “Bidding Procedures and Sale Motion”), pursuant to sections 363 and 365 of the Bankruptcy Code and Rules 2002, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”), seeking entry of an order (the “Bidding Procedures Order”) (a) scheduling an auction (the “Auction”) for the sale of the Debtor’s assets (the “Assets”) on or about January 25, 2023, at 10:00 a.m. and a hearing to approve the sale of the Assets (the “Sale Hearing”) on or about January 27, 2023, (b) approving procedures (the “Bidding Procedures”)² for submitting competing bids for the Assets, (c) authorizing, but not directing, the Debtor to designate a Stalking Horse Bidder in accordance with the Bidding Procedures, (d) subject to final Bankruptcy Court approval at the Sale Hearing, authorizing and approving the Debtor to enter into and perform under the Purchase Agreement (as defined in the Bidding Procedures and Sale Motion), as applicable, subject to higher or otherwise better offers submitted in accordance with the Bidding Procedures, (e) approving the form and manner of the notice of the Auction and the Sale Hearing, (f) establishing procedures for the assumption and assignment of the Assumed Contracts (as defined in the Bidding Procedures Order) to any purchaser(s) of the Assets and approving manner of notice thereof (the “Assumption and Assignment Notice”), and (g) scheduling a hearing to approve assumption and assignment of the Assumed Contracts, payment of cure (if any), and/or resolve any objections thereto.

3. On December 21, 2022, the Bankruptcy Court entered the Bidding Procedures Order. Pursuant to the Bidding Procedures Order, if at least two (2) Qualified Bids with regard to any particular Assets (as defined in the Bidding Procedures Order) are received by the Bid

¹ The Debtor and the last four digits of its taxpayer identification number are: Quanergy Systems, Inc. (5845). The Debtor’s mailing address for purposes of the Chapter 11 Case is 433 Lakeside Drive, Sunnyvale, CA 94085.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Bidding Procedures.

Deadline (as defined below), the Debtor will conduct the Auction. The Auction shall be held on January 25, 2023, starting at 10:00 a.m. (prevailing Eastern Time) or such other time as the Debtor shall designate and notify to all Qualified Bidders, and shall be held at the offices of Raymond James & Associates, Inc., 320 Park Ave., Floor 10, New York, NY 10022. Professionals and principals for the Debtor, each Qualified Bidder (including, its representative(s), if any), each of the Consultation Parties, and any other parties the Debtor deems appropriate shall be permitted to attend and observe the Auction. Only parties that have submitted a Qualified Bid, as set forth in the Bidding Procedures Order, by no later than January 23, 2023, at 10:00 a.m. (prevailing Eastern Time) (the “Bid Deadline”), may bid at the Auction. Any party that wishes to take part in this process and submit a Bid (as defined in the Bidding Procedures) for any portion of the Assets must submit their competing Bid prior to the Bid Deadline and in accordance with the Bidding Procedures.

4. The Sale Hearing to consider approval of the sale of the Assets to the Successful Bidder(s) at the Auction, free and clear of all liens, claims and encumbrances, will be held before the Honorable Craig T. Goldblatt, United States Bankruptcy Judge, 824 North Market Street, 3rd Floor, Courtroom 7, Wilmington, Delaware 19801 on January 27, 2023, at 10:00 a.m. (prevailing Eastern Time), or at such other time thereafter as counsel may be heard. The Sale Hearing may be adjourned by the Debtor from time to time without further notice to creditors or parties in interest other than by announcement of the adjournment in open court on the date scheduled for the Sale Hearing or by including such adjournment on any agenda filed with the Bankruptcy Court or by the filing of a notice with the Bankruptcy Court.

5. Objections to approval of the Sale (with the exception of objections related solely to the conduct of the Auction, identity of the Successful Bidder, and ability of the Successful Bidder to provide adequate assurance of future performance, which must be received by a different deadline), must be in writing, state the basis of such objection with specificity, and be filed with the Bankruptcy Court and served before 4:00 p.m. (prevailing Eastern Time) on January 20, 2023 (the “Sale Objection Deadline”) by the following parties (collectively, the “Notice Parties”):

- (a) proposed counsel to the Debtor, Cooley LLP, 55 Hudson Yards, New York, NY 10001 (Attn.: Cullen D. Speckhart (cspeckhart@cooley.com); Michael A. Klein (mklein@cooley.com), and Lauren A. Reichardt (lreichardt@cooley.com));
- (b) proposed co-counsel to the Debtor, Young Conaway Stargatt & Taylor, LLP, 1000 N. King Street, Rodney Square, Wilmington, DE 19801 (Attn.: Sean M. Beach (sbeach@ycst.com), Shane M. Reil (sreil@ycst.com), Catherine C. Lyons (clyons@ycst.com) and Heather P. Smillie (hsmillie@ycst.com));
- (c) the Office of the United States Trustee for the District of Delaware, J. Caleb Boggs Federal Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801 (Attn.: Richard L. Schepacarter (richard.schepacarter@usdoj.gov)); and
- (d) counsel to any statutory committee that has been appointed in the Chapter 11 Case.

6. Objections related solely to conduct at the Auction, identity of the Successful Bidder, and adequate assurance of future performance by the Successful Bidder must be in writing, state the basis of such objection with specificity, and be filed with the Bankruptcy Court and served **on or before January 26, 2023, at 4:00 p.m. (prevailing Eastern Time)** (the “Auction Objection Deadline”) by the Notice Parties.

UNLESS AN OBJECTION IS TIMELY SERVED AND FILED IN ACCORDANCE WITH THIS NOTICE, IT MAY NOT BE CONSIDERED BY THE BANKRUPTCY COURT AND THE BANKRUPTCY COURT MAY GRANT THE RELIEF REQUESTED WITHOUT FURTHER HEARING AND NOTICE.

7. This Sale Notice is subject to the fuller terms and conditions of the Bidding Procedures and Sale Motion and the Bidding Procedures Order, with such Bidding Procedures Order controlling in the event of any conflict. The Debtor encourages all parties-in-interest to review such documents in their entirety. Parties interested in receiving more information regarding the sale of the Assets and/or copies of any related document, including the Bidding Procedures and Sale Motion or the Bidding Procedures Order, may make a written request to Lauren Reichardt, Esq. (lreichardt@cooley.com). In addition, copies of the Bidding Procedures and Sale Motion, the Bidding Procedures Order and this Notice are on file with the Clerk of the Bankruptcy Court, Third Floor, 824 North Market Street, Wilmington, Delaware 19801 and are available on the Debtor’s claims and noticing agent’s website free of charge at <https://cases.stretto.com/Quanergy>.

Dated: Wilmington, Delaware
December 21, 2022

/s/ *Shane M. Reil*

Sean M. Beach (No. 4070)
Shane M. Reil (No. 6195)
Catherine C. Lyons (No. 6854)
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Proposed Counsel for the Debtor and Debtor in Possession